



## **Alabama Department of Economic And Community Affairs**

GUY HUNT.  
GOVERNOR

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DIRECTOR

### **ALABAMA CDBG INTERGOVERNMENTAL POLICY LETTER NUMBER 10 (Revision 1)**

TO: Persons Interested in State  
CDBG Program

FROM: Don C. Hines, Ph.D., Chief,  
Planning and Economic Development Division

#### **POLICY ON STATE LETTER OF CREDIT DRAWDOWNS**

For those CDBG grantees who receive grant funds through the state's Letter of Credit, the following policies are established concerning minimum drawdowns, timing of drawdowns, and the state's interpretation of "immediate cash needs";

First, the minimum amount of CDBG funds to be drawn down at a single time (except planning grants) is established to be \$10,000.

Secondly, grantees will be limited to two regularly scheduled drawdowns per month. Exceptions may be made with the approval of the assigned Program Supervisor in cases of unexpected cash needs in which the grantee's program progress would be impeded without an additional drawdown being processed.

Because of limited drawdowns "immediate cash needs" is interpreted as not to exceed 14-16 days depending on the month.

**Effective Date:** Immediately